

FILED

NOV 10 2009

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

JAMES BONINI, Clerk
DAYTON, OHIO

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UNITED STATES OF AMERICA,	:	CASE NO.
	:	
vs	:	
	:	<u>INDICTMENT</u>
JAMES L. MACK, (1)	:	18 U.S.C. § 2
(Counts 1-9)	:	18 U.S.C. § 371
	:	18 U.S.C. § 1341
WALTER A. MILLAT, (2)	:	18 U.S.C. § 1344
(Counts 1-10)	:	18 U.S.C. § 1349
	:	18 U.S.C. § 1956(h)
WILLIAM E. MILLAT, (3)	:	
(Counts 1-10)	:	FORFEITURE
	:	
Defendants.	:	

THE GRAND JURY CHARGES THAT:

COUNT 1
(Conspiracy Under 18 U. S. C. §§ 371 and 1349)

INTRODUCTION

1. During the time period covered by this Indictment, the defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, operated various real estate businesses and corporations organized under the laws of the State of Ohio to include: Transform Financial Services Group, Inc., Greenleaf Development, LLC, Silverwood Financial, Silverwood Acquisitions, LLC, American Midwest Property Management (AMPM), Maintenance Plus, Midwest Williams Holdings, and Blackstone Management and Development Group. These various business enterprises operated out of locations in the greater Dayton, Ohio area.

2. During the time period covered by this Indictment, defendant **JAMES L. MACK** was employed as a mortgage loan officer at the Centerville, Ohio Branch of Republic Bank.

3. Defendant **WALTER A. MILLAT** is the father of defendant **WILLIAM E. MILLAT**.

4. Defendant **JAMES L. MACK** is the uncle of defendant **WILLIAM E. MILLAT**.

5. Between on or about February 9, 2001 through March 30, 2006, while in the Southern District of Ohio and elsewhere, defendants **JAMES L. MACK, WALTER A. MILLAT** and **WILLIAM E. MILLAT**, joined together with other individuals both known and unknown to the Grand Jury, to conspire between themselves and with each other to commit certain offenses against the United States, to wit:

- a) 18 U.S.C. § 1014, namely the making of false mortgage loan applications; and
- b) 18 U.S.C. § 1341, namely mail fraud; and
- c) 18 U.S.C. § 1343, namely wire fraud; and
- d) 18 U.S.C. § 1344, namely bank fraud.

OBJECTS OF THE CONSPIRACY

6. It was the object of the conspiracy and the scheme to defraud to wrongfully obtain and retain monies, credits, rental income, profits, real property, continued employment and other things of value, by arranging, facilitating and manipulating documents associated with real estate sales and mortgage loan applications and closings in order to obtain excess mortgage loan proceeds generated from the sale of residential properties, the majority of which involved low

income, dilapidated and otherwise depressed residential properties located in and around the greater Dayton, Ohio area for the personal benefit of the conspirators.

7. It was further an object of the conspiracy and the scheme to defraud to wrongfully allow the conspirators to enjoy the criminal proceeds and benefits of the conspiracy while insulating themselves from detection by law enforcement authorities and possible criminal prosecution.

THE SCHEME TO DEFRAUD

8. It was part of the conspiracy that defendant **WILLIAM E. MILLAT** devised a real estate investment scheme he entitled the "Investor Program". Prospective investors were solicited to participate in this program through advertisements placed in Dayton, New York City and Indianapolis newspapers. Between April 2005 and May 2006, defendant **WILLIAM E. MILLAT** also hosted a Saturday morning radio call-in talk show entitled "*Real Estate Investing for Everyone*" which was broadcast on a Dayton radio station.

9. It was further part of the conspiracy that the "Investor Program" involved an overall plan to purchase and renovate for resale single family houses located in distressed inner city areas of Dayton, Ohio. Under this program, houses were initially to be purchased by certain entities controlled by defendant **WILLIAM E. MILLAT** named Blackstone Management and Development Group, Greenleaf Development, LLC and Silverwood Acquisitions, LLC. Defendant **WILLIAM E. MILLAT** would then offer prospective investors a return of up to 50% interest (computed annually) for use of their investment money for a minimum of a three month period. During this three-month period, the distressed homes would be renovated for resale. Prospective investors were told that the purchased residences would then be resold to a

third party who was participating in a so-called “Buyer Program” which was also developed and controlled by defendant **WILLIAM E. MILLAT**. This “Buyer Program” purportedly consisted of individuals that defendant **WILLIAM E. MILLAT** had previously “lined up” and had secured pre-approved mortgage financing in order to purchase said homes once renovation work was completed. Defendant **WALTER A. MILLAT** participated in the supervision of the actual renovation and construction work performed on subject properties.

10. It was further part of the conspiracy that the post-renovation sale of these properties would be financed by a first mortgage held in original investor’s name. The mortgage loan proceeds were to be used to pay back investors participating in the “Investor Program” the full amount of their principal investment plus interest. Investors were to receive three sets of documents for each property involved, to wit: (a) a cognovit note, (b) a finance agreement, and (c) a mortgage. Each of these documents were to be signed by, or on behalf of defendants **WILLIAM E. MILLAT** or **WALTER A. MILLAT**.

11. It was further part of the conspiracy, that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, joined together with other individuals both known and unknown to the Grand Jury, in a conspiracy and scheme to defraud by preparing and submitting, and causing to be prepared and submitted fraudulent mortgage loan application packages to mortgage loan officials of Republic Bank located at 7501 Paragon Road, Suite 100, Centerville, Ohio 45459 and in Farmington Hills, Michigan and Lansing, Michigan on behalf of prospective purchasers of residential properties. Republic Bank was during all times relevant to this Indictment a financial institution whose accounts were insured by the Federal Deposit Insurance Corporation, (hereinafter referred to as “FDIC”). Fraudulent documents contained in

said loan application packages included: Uniform Residential Loan Applications (Form 1003), Department of Housing & Urban Development Settlement Statements (HUD-1 Form), and cashier's checks. These various documents contained material false, fictitious, and fraudulent statements and representations which in-turn were relied upon by officials of Republic Bank in determining whether to grant requested mortgage loans.

12. It was further part of the conspiracy that defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, knowingly and fraudulently referred prospective real estate purchasers and mortgage loan applicants to defendant **JAMES L. MACK** to serve as their mortgage loan officer while he was employed at the Centerville, Ohio branch of Republic Bank.

13. It was further part of the conspiracy that defendant **JAMES L. MACK** would serve as the mortgage loan officer for said prospective purchasers knowing full well that defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT** were actively engaged in fraudulent mortgage practices to include secretly providing down payment monies for said real estate purchasers and mortgage applicants at mortgage loan closings. This practice was not accurately and truthfully reflected on Uniform Residential Loan Applications (Form 1003), Department of Housing & Urban Development Settlement Statements (HUD-1 Form) submitted to Republic Bank mortgage loan officials.

14. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, knowingly and fraudulently concealed from higher level Republic Bank mortgage loan and underwriting personnel located in Farmington Hills and

Lansing, Michigan the fact that said prospective real estate purchasers and mortgage applicants, did not in fact personally ever intend to tender the required cash down payments at mortgage loan closings as annotated on relevant Forms 1003 and HUD-1 forms.

15. It was further part of the conspiracy that defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, knowingly and fraudulently referred prospective real estate purchasers and mortgage loan applicants to Sterling Land Title, Inc. of 7016 Corporate Way, Centerville, Ohio for the express purpose of conducting necessary mortgage loan closings.

16. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, fraudulently obtained over \$4.5 million in mortgage loans from Republic Bank as part of this scheme.

17. It was further part of the conspiracy that defendants **JAMES L. MACK** and **WALTER A. MILLAT**, together with other individuals both known and unknown to the Grand Jury, were corporately responsible for directly or indirectly tendering in excess of \$1.8 million in down payment monies in order to close on in excess of 100 property sales and mortgage loans.

18. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, fraudulently obtained in excess of \$2 million in criminal proceeds directly or indirectly for their personal use and enjoyment as a result of participation in this scheme.

19. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, victimized at least 12 separate individual property investors as part of this scheme.

20. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, fraudulently orchestrated the purchase and sale over 100 residential properties, all of which were located in Montgomery County, Ohio.

21. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, fraudulently orchestrated mortgage closings on over 100 residential properties, all of which were located in Montgomery County, Ohio.

22. It was further part of the conspiracy that defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, transmitted or caused to be transmitted in interstate commerce to and from the Southern District of Ohio, certain Forms 1003 and HUD-1 Forms to and from various out-of-state business locations via electronic wire communications and commercial carriers as part of mortgage loan application, review and closing process.

23. It was further part of the conspiracy that defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, paid and caused to be paid cash bonuses or “kick backs” to one or more mortgage loan applicants in return for their agreement to purchase and close on residential mortgage loans.

24. It was further part of the conspiracy that defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, opened, or caused to be opened various bank accounts at financial institutions located within the Southern District of Ohio and elsewhere, in order to conduct financial transactions designed to promote and facilitate the operation of a fraudulent loan business, and to disguise the true nature, location, source, ownership and control of the criminal proceeds of the monies and profits fraudulently generated by the conspiracy.

25. In furtherance of this conspiracy and to affect the objects of this conspiracy, the following overt acts, among others, were committed by one or more of the co-conspirators while in the Southern District of Ohio and elsewhere:

1918 Malvern Avenue, Dayton, Ohio

- a. Sometime between 2001 and 2006, while located within the Southern District of Ohio, defendant **WILLIAM E. MILLAT** spoke with a person known to the Grand Jury, hereafter identified as "H.W." on multiple occasions regarding the possible purchase of certain rental properties located within the Southern District of Ohio. During these conversations, defendant **WILLIAM E. MILLAT** assured "H.W." that he could arrange a "no out-of-pocket expenses" mortgage loan to acquire said rental properties.
- b. Subsequent to the conversation described in Overt Act a, defendant **JAMES L. MACK**, served as "H.W.'s" mortgage loan officer at Republic Bank's Centerville, Ohio branch. In this capacity, defendant **JAMES L. MACK** forwarded "H.W.'s" Form 1003 loan application to mortgage loan officials at Republic Bank in Farmington Hills, Michigan for the purpose of completing underwriting for said loan application. This loan application falsely indicated that "H.W." had \$21,976.82 in personal funds reserved and intended for use as a down payment at closing.
- c. On or about December 14, 2005, the mortgage loan concerning the purchase of subject property located at 1918 Malvern Ave., Dayton, Ohio closed at Sterling Land Title, Inc., 7016 Corporate Way, Centerville, Ohio (hereinafter referred to as "Sterling Land Title, Inc.").

d. As a result of the Overt Acts a., b. and c. described above, "H.W." purchased 1918 Malvern Ave., Dayton, Ohio for \$70,000. A check from Wright-Patt Credit Union, number 00105137, dated December 14, 2005 in the amount of \$21,818.00 was fraudulently presented to the closing agent representing Sterling Land Title, Inc. as the purported down payment from "H.W.". The actual source of said funds associated with this check was defendant **WILLIAM E. MILLAT**.

3855 Old Riverside, Dayton, Ohio

e. Sometime between 2001 and 2006, while located within the Southern District of Ohio, defendant **WILLIAM E. MILLAT** spoke on multiple occasions with a person known to the Grand Jury, hereafter identified as "J.B." regarding the possible purchase of certain rental properties located within the Southern District of Ohio. During these conversations, defendant **WILLIAM E. MILLAT** assured "J.B." he could arrange a "no out-of-pocket expenses" mortgage loan to acquire said rental properties.

f. Subsequent to the conversation described in Overt Act e, defendant **JAMES L. MACK**, served as "J.B.'s" mortgage loan officer at Republic Bank's Centerville, Ohio branch. In this capacity, defendant **JAMES L. MACK** forwarded "J.B.'s" Form 1003 loan application to mortgage loan officials at Republic Bank in Farmington Hills, Michigan for the purpose of completing underwriting for said loan application. This loan application falsely indicated that "J.B." had \$20,643.24 in personal funds reserved and intended for use as a down payment at closing.

g. As a result of the Overt Acts e. and f. described above, on or about December 29, 2005, "J.B." purchased 3855 Old Riverside, Dayton, Ohio for \$66,000. An official check drawn on the Montgomery County Credit Union, number 170614, dated December 26, 2005 in the amount of \$20,249.51 was fraudulently presented to the closing agent at Sterling Land Title, Inc. This check purportedly served as the required down payment from "J.B." The actual source the funds associated with said check was defendant **WILLIAM E. MILLAT**.

h. On or about January 6, 2006, defendant **WALTER A. MILLAT** presented "J.B." a reimbursement check for the down payment described in Overt Act g. in the amount of \$20,249.51 drawn on the Wright-Patt Credit Union checking account of Silverwood Acquisitions, LLC, check number 3022.

All in violation of 18 U.S.C. Sections 371 and 1349.

COUNTS 2-5
(Mail Fraud Under 18 U.S.C. § 1341)

26. The Grand Jury realleges all the allegations contained in paragraphs 1 - 25 of this Indictment as if they were fully reproduced herein.

27. From on or about February 9, 2001 through March 30, 2006, while in the Southern District of Ohio and elsewhere, the defendants **JAMES L. MACK, WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, did knowingly participate in, devise and intend to devise a scheme and artifice to defraud and obtain money from Republic Bank, by means of making materially false and fraudulent pretenses, representations and promises, through various real estate investors located in and around the Dayton, Ohio area. Such scheme and artifice to defraud and obtain money was in substance as follows:

28. It was part of said scheme and artifice to defraud and to obtain money that the defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, participated in organizing and establishing various business entities to specifically solicit prospective real estate investors in property located in the Dayton, Ohio area.

29. It was further part of said scheme and artifice to defraud and to obtain money that the defendants **JAMES L. MACK, WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury would cause to be prepared and forwarded certain fake, fictitious and fraudulent mortgage loan applications to Republic Bank offices located within and outside the Southern District of Ohio.

30. It was further part of said scheme and artifice to defraud and to obtain money that the defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, would acquire certain depressed, low income and otherwise run-down rental properties in the greater Dayton, Ohio area, which would be sold to investors they had recruited and solicited.

31. It was further part of said scheme and artifice to defraud and to obtain money that the defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, would provide prospective real estate investors various fraudulent verbal assurances to include: (a) the promise of receiving a cash payment upon closing on each and every rental property purchased; (b) the promise that all purchases of real estate investment properties would be 100% financed with no money down transactions; (c) the promise that they would ensure that all investment properties would be properly and timely repaired and renovated up to rentable standards at no cost to the purchaser; (d) the promise that they would ensure all investment properties would be fully rented before the purchaser would become obligated to make any monthly mortgage payments; and (e) the promise that each investment property would generate a positive monthly cash flow per rental unit. None of these purported promises, assurances or facts were reflected on the respective HUD-1 Forms.

32. It was further part of said scheme and artifice to defraud and obtain money that the defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, would assist prospective purchasers in making arrangements to complete mortgage loan closings.

33. It was further part of said scheme and artifice to defraud and obtain money that the co-conspirators would fraudulently share a portion of the mortgage loan disbursement monies following the completion of the closings. The HUD-1 Forms associated with these closings falsely and fraudulently indicated the mortgage loan applicant provided the necessary down payment at the time of closing, when in fact, the down payment was secretly and fraudulently directly or indirectly funded by defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**.

34. Between on or about February 9, 2001 through March 30, 2006, while in the Southern District of Ohio, and elsewhere, the defendants **JAMES L. MACK, WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with other individuals both known and unknown to the Grand Jury, for the purpose of executing the aforesaid scheme and artifice to defraud and obtain money, did knowingly cause to be delivered by FedEx, a commercial interstate carrier, according to the directions thereon, certain envelopes and packages which contained false and fraudulent HUD-1 Forms and mortgage loan application Forms 1003 which were signed by various real estate investors located in the greater Dayton, Ohio area. The delivery packages were addressed from Sterling Land Title, Inc. of 7016 Corporate Way, Centerville, Ohio 45459. Each count in the below referenced chart describes the affected purchasers, dates of mailing, property addresses, loan amounts, down payment amounts, mortgage lending institutions, settlement agency and express mail carrier.

COUNT	PURCHASER	DATE OF MAILING	PROPERTY ADDRESS	LOAN AMT./ DOWN PAYMENT	MORTGAGE LENDER	SETTLEMENT AGENCY	EXPRESS CARRIER
2	"J.B."	O/A 12/29/05	3855 Old Riverside Dr.	\$49,500/ \$20,249.51	Republic Bank	Sterling Land Title	FedEx
3	"H.W."	O/A 7/12/05	70 Warder St.	\$45,000/ \$18,613.18	Republic Bank	Sterling Land Title	FedEx
4	"H.W."	O/A 12/17/05	1918 Malvern Ave.	\$52,500/ \$21,818	Republic Bank	Sterling Land Title	FedEx
5	"A.L."	O/A 3/30/05	231 Delaware Ave.	\$46,500/ \$18,231.30	Republic Bank	Sterling Land Title	FedEx

All in violation of 18 U. S. C. §§ 1341 and 2.

COUNTS 6-9
(Bank Fraud Under 18 U.S.C. § 1344)

35. The Grand Jury realleges all the allegations contained in paragraphs 1 - 34 of this Indictment as if they were fully reproduced herein.

36. From on or about February 9, 2001 and continuing until at least March 30, 2006, while in the Southern District of Ohio and elsewhere, the defendants **JAMES L. MACK**, **WALTER A. MILLAT** and **WILLIAM E. MILLAT** knowingly and willfully devised a scheme and artifice:

- (a) to defraud Republic Bank, a FDIC insured financial institution, and
- (b) to obtain money, funds, credits and assets owned by and under the custody and control of Republic Bank, by means of false and fraudulent pretenses, representations and promises.

(c) to have defendant **JAMES L. MACK** serve as a conduit of false, fictitious and fraudulent mortgage loan applications received from real estate purchasers referred by defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT** which would in-turn be forwarded to higher level mortgage loan and underwriting officials at Republic Bank located in the state of Michigan.

37. From on or about February 9, 2001 and continuing until at least March 30, 2006, while in the Southern District of Ohio, the defendant **JAMES L. MACK** knowingly and willfully executed and attempted to execute the scheme and artifice set forth above, by knowingly and deliberately reviewing and forwarding false, fictitious and fraudulent mortgage loan applications received from real estate purchasers referred to him by defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT** to higher level mortgage loan and underwriting officials at Republic Bank located in the state of Michigan.

38. Each count in the below referenced chart describes the identity of the purchaser/investors involved, the dates the fraudulent loan application was signed and submitted to defendant **JAMES L. MACK** in his capacity as a loan officer at the Centerville, Ohio Branch of Republic Bank, the property addresses, the loan amounts, and the approximate dates the mortgage funds were disbursed.

Count	Purchaser	1003 Signed	Property Address	Loan Amount	Disbursement Date
6	J.B.	12/29/05	3855 Old Riverside Drive	\$49,500	12/29/05
7	H.W.	7/11/05	70 Warder Street	\$45,000	7/11/05
8	H.W.	12/14/05	1918 Malvern Avenue	\$52,500	12/14/05
9	A.L.	3/29/05	231 Delaware Avenue	\$46,500	3/29/05

In violation of 18 U. S. C. § 1344 and 2.

COUNT 10
(Conspiracy to Launder Money Under 18 U. S. C. 1956(h))

INTRODUCTION

39. From on or about February 9, 2001 and continuing until at least March 30, 2006, while in the Southern District of Ohio and elsewhere, defendants **WALTER A. MILLAT** and **WILLIAM E. MILLAT**, together with others, both known and unknown to the Grand Jury, did conspire between themselves and with each other to commit certain offenses against the United States, to wit:

- a) knowing that certain property involved in a financial transaction affecting interstate commerce represented the proceeds and profits of some form of unlawful activity, did conduct and attempt to conduct such financial transaction which, in fact involved the proceeds of specified unlawful activity with the intent to promote the carrying on of a specified unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(A)(i), and 18 U. S. C. § 2.
- b) did knowingly engage in, and attempted to engage in monetary transactions by, through, or to a financial institution affecting interstate or foreign commerce in criminally derived property having a value greater than \$10,000.00 that was deposited, withdrawn, transferred and exchanged in U.S. currency, funds and monetary instruments such as to affect interstate commerce, from one or more violations of 18 U. S. C. § 1957.

OBJECTS OF THE CONSPIRACY

40. It was an object of the conspiracy that financial transactions were completed knowing that the property and money involved in said transactions represented proceeds and profits of various forms of specified unlawful activities associated with mortgage fraud to include money laundering, mail fraud and wire fraud on mortgage loan applications and associated documents.

41. It was further an object of the conspiracy that financial transactions were completed with the intent to promote the carrying on of acts of mortgage fraud in the form of specified unlawful activities associated with mortgage fraud to include money laundering, mail fraud and wire fraud on mortgage loan applications and associated documents.

42. It was further an object of the conspiracy to knowingly engage, or attempt to engage in monetary transactions in property valued in excess of \$10,000.00 which was criminally derived from specified unlawful activities associated with mortgage fraud to include money laundering, mail fraud and wire fraud on mortgage loan applications and associated documents.

43. It was further an object of the conspiracy to allow the conspirators to enjoy the benefits of the substitute proceeds received through their mortgage fraud activities while attempting to insulate themselves from detection by law enforcement officials and possible criminal prosecution.

THE MANNER AND MEANS

44. The Grand Jury realleges all the allegations set forth in paragraphs 1 - 38 contained in this Indictment as if they were fully reproduced herein.

45. At all times during the above stated time period, it was a part of the conspiracy for the defendants herein to prepare and submit, and cause to be prepared and submitted on behalf of prospective purchasers of residential properties, the majority of which involved low income and otherwise depressed residential properties in the greater Dayton, Ohio area, certain mortgage loan application packages to Republic Bank located in the Southern District of Ohio and Michigan which contained false, fictitious and otherwise fraudulent documents including: Forms 1003 and HUD-1 Forms. These false, fictitious, and fraudulent documents were placed or caused to be placed in interstate commerce by the above named defendants, and other aforesaid unnamed individuals via commercial interstate carrier and electrical signs and signals by means of wire communication from telephone numbers installed at business locations located within the Southern District of Ohio.

46. It was further part of the conspiracy that both of the named defendants caused criminally derived funds in excess of \$10,000.00 to be transferred to accounts held at a financial institution as defined under 18 U.S.C. § 5312(a)(2), located within the Southern District of Ohio. This action in-turn promoted the carrying on of the specified unlawful activity to include: mail fraud, wire fraud and money laundering in violation of 18 U. S. C. §§ 1341, 1343, 1956 and 1957 respectively.

OVERT ACTS

47. In furtherance of the conspiracy and to effect the objects thereof, a conspirator committed one or more overt acts listed below in furtherance of the conspiracy causing the following transfers and numbered overt acts to take place:

- a. The Grand Jury realleges and incorporates herein paragraphs 12a. through 25h. of Count 1 as if they were fully reproduced herein.

- b. On or about December 3, 2003, defendant **WILLIAM E. MILLAT** caused check number 7164 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$9,000.00. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1013 Richmond, Dayton, Ohio.
- c. On or about December 3, 2003, defendant **WILLIAM E. MILLAT** caused check number 7165 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$9,000.00. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1013 Richmond, Dayton, Ohio.
- d. On or about December 3, 2003, defendant **WILLIAM E. MILLAT** caused check number 7166 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$3,407.10. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1013 Richmond, Dayton, Ohio.
- e. On or about December 30, 2004, defendant **WILLIAM E. MILLAT** caused check number 7213 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$9,000.00. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1017 Cumberland, Dayton, Ohio.
- f. On or about December 30, 2004, defendant **WILLIAM E. MILLAT** caused check number 7214 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$9,000.00. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1017 Cumberland, Dayton, Ohio.

g. On or about December 30, 2004, defendant **WILLIAM E. MILLAT** caused check number 7215 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "S.T." in the amount of \$3,549.80. This check was tendered to "S.T." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 1017 Cumberland, Dayton, Ohio.

h. On or about December 6, 2005, defendant **WALTER A. MILLAT** caused check number 3005 to be drawn on the Wright Patt Credit Union checking account of Silverwood Acquisitions, LLC and made payable to a person known to the Grand Jury and identified as "J.B." in the amount of \$19,958.41. This check was tendered to "J.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 275 Delaware, Dayton, Ohio.

i. On or about January 6, 2006, defendant **WALTER A. MILLAT** caused check number 3022 to be drawn on the Wright Patt Credit Union checking account of Silverwood Acquisitions, LLC and made payable to a person known to the Grand Jury and identified as "J.B." in the amount of \$20,249.51. This check was tendered to "J.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 3855 Old Riverside, Dayton, Ohio.

j. On or about February 16, 2004, defendant **WILLIAM E. MILLAT** caused check number 7296 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "R.B." in the amount of \$19,865.41. This check was tendered to "R.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 409 Edgewood, Dayton, Ohio.

k. On or about April 6, 2004, defendant **WILLIAM E. MILLAT** caused check number 7335 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "R.B." in the amount of \$17,351.51. This check was tendered to "R.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 607 N. Kilmer, Dayton, Ohio.

l. On or about February 21, 2005, defendant **WILLIAM E. MILLAT** caused check number 13779 to be drawn on the WesBanco Bank checking account of Greenleaf Development, LLC and made payable to a person known to the Grand Jury and identified as "R.B." in the amount of \$18,708.44. This check was tendered to "R.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 2015 N. Main St., Dayton, Ohio.

m. On or about September 20, 2004, defendant **WILLIAM E. MILLAT** caused check number 12679 to be drawn on the WesBanco Bank checking account of Greenleaf Development, LLC. and made payable to a person known to the Grand Jury and identified as "R.B." in the amount of \$15,029.89. This check was tendered to "R.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 3721 W. Second St., Dayton, Ohio.

n. On or about October 10, 2003, defendant **WILLIAM E. MILLAT** caused check number 7015 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to a person known to the Grand Jury and identified as "P.B." in the amount of \$15,149.41. This check was tendered to "P.B." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 362 Bolander, Dayton, Ohio.

o. On or about February 21, 2005, defendant **WILLIAM E. MILLAT** caused check number 13778 to be drawn on the WesBanco Bank checking account of Greenleaf Development, LLC and made payable to a person known to the Grand Jury and identified as "A.E." in the amount of \$17,948.19. This check was tendered to "A.E." as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 105 Santa Clara, Dayton, Ohio.

p. On or about November 12, 2003, defendant **WILLIAM E. MILLAT** caused check number 7108 to be drawn on the Cornerstone Bank checking account of Transform Financial Services Group, Inc. and made payable to "Barry Investments" in the amount of \$21,436.91. This check was tendered to "Barry Investments" as a reimbursement for a previously tendered down payment at the closing of a mortgage loan on real estate located at 102 Rockwood, Dayton, Ohio.

FORFEITURE ALLEGATION #1
AS TO COUNTS 1 THRU 9

Upon the conviction of either defendant for any of the offenses contained in Counts, 1 thru 9, the defendants shall forfeit to the United States, under 18 U. S. C. § 981(a)(1)(C) and 28 U. S. C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violation(s), including, but not limited to:

Money Judgment:

A money judgment in the amount of the proceeds.

FORFEITURE ALLEGATION #2
AS TO COUNT 10

(Proceeds and Traceable to Proceeds)

1. Pursuant to 18 U. S. C. § 982(a)(1), each defendant who is convicted of the offense set forth in Count 10, shall forfeit to the United States the following property:

a. Any and all property involved in such offense for which the defendant is convicted, and all property traceable to such property.

b. A sum of money equal to the total amount of money involved in the offense. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

A T R U E B I L L

15/
GRAND JURY FOREPERSON

CARTER M. STEWART
UNITED STATES ATTORNEY



VIPAL J. PATEL
Deputy Criminal Chief